Approved For Release 2008/10/02 : CIA-RDP80-00810A006700540008-4 CLASSIFICATION SALE LEATER

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

REPORT CD NO.

COUNTRY	East	Garmany
		ALTERIA

DATE DISTR.

10 June 1955

SUBJECT Dismissals at East German Enterprises

NO. OF PAGES

PLACE **ACQUIRED**

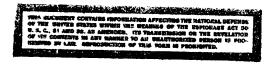
NO. OF ENCLS.

25X1

DATE OF INFO.

SUPPLEMENT TO REPORT NO.

25X1



THIS IS UNEVALUATED INFORMATION

25X1

Since early 1955, dismissals are taking place at industrial enterprises, of trade organizations, and town administrations, and orders have been issued for the reduction of salaries and bonuses.

25X1

The reported dismissals reflect the present trend of a strict retronsligation policy aimed at better systematization of labor and the establishment of a rhythmic production schedule. Enforced dismissals of persons to be drafted by the KVP may also play a role. Insufficient rationalization as well as bureaucratization in many enterpoises have resulted in excessive demands on salary funds. Subsequent increased borrowings at the banks, not balanced by higher production rates, have endangered the solvency of the enterprises. Since a high percentage of enterprises are working without profit, saluries are to be reduced primarily in departments not directly connected with the production work. Bonuses are to be granted only to enterprises which show an active balance sheet. (Up to the present time, bonuses were paid to individual warkshops which reached overfulfilment of their production targets), According to the reports available, salaries have already been reduced. As a side line to these measures, it is intended to prevail on workers and employees living in West Berlin to move to the Eastern section of the city. Chiefly workmen and employees suspected of deviationist tendencies are affected by dismissals and reductions of salaries. All these endeavors are paralleled by similar moves in the Satellite Countries. Apparently Moscow has embarked on a new general policy aiming at rationalization, economy, and profit. All progress fails or succeeds in direct proportion to the improvement in the situation of the basic materials industry. An efficient basic materials industry is a prerequisite for the carrying out of rationalization projects. To judge by partial reports, it appears that the 1954 production targets have not been reached in many cases. Particularly the GDR, as well as Mangary and Mumania, have not only failed to reach the targets but, in spite of all efforts made, have even fallen behind the 1953 figures

25X1

CLASSIFICATION S-E-C-R-E-T

OD CONTON												
STATE	X	NAVY	x	NSRB		DISTRIBUTION			Γ	1	T	٦.
ARMY	×	AIR	X	FBI					1			1

25X1

